

INCOMING TELEGRAM*Department of State*

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Action

Control: 19603

NEA

Rec'd: October 30, 1959

Info

12:52 p.m.

FROM: Khorramshahr

TO: Secretary of State

SS

NO: 30, October 29, 7 p.m.

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SENT NIACT TEHRAN 123, PRIORITY DEPARTMENT 30, REPEATED
INFORMATION LONDON 16, BAGHDAD 24, BASRA UNNUMBERED.

DCL

American merchant ship masters now confronted with following
dilemma:

IRC

CIA

OSD

ARMY

NAVY

AIR

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(1) Abide by Basra Port Authority rules and Iraqi pilots
instruction fly Iraqi flag when bound Iranian ports with
subsequent blacklisting by Iranians; or

(2) Insist on flying Iranian flag and if Iraqi pilot refuses
take ship up river accept Iranian pilots perhaps with IIN
escort. If course one adopted cargo consigned Iranian
importers (including US owned Khuzistan development service
which imports hundreds tons monthly for development program)
must be dumped non-Iranian ports, probably Basra from which
transshipment difficult if not impossible under present
conditions. On other hand, if Iranian orders followed, we
doubt any underwriters will honor insurance claims for ship
damaged while under control pilot not licensed by Basra Port
Authority. Believe in latter case master personally liable.
Note in view Iranian lack qualified pilots, underwriters will
be most unwilling accept risk. Some foreign agents still
hopeful avoid flag issue by moving ships at night but expect
that if too many night movements scheduled, Basra will
rightly consider them hazardous.

Also possible Iraq will blacklist all ships flying Iranian flag
in Shatt and should point out most American ships calling
Khorramshahr also discharge Basra. During visit Ahwaz this
morning I briefed McClure KDS present situation. Earlier I
raised insurance question with Governor General but did not
mention

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mention Pan American.

Embassy may wish point out to Iran Government one result will be discriminate and ultimately ruin shipping agents of Iranian nationality who must comply Iranian law. Foreign shipping agents might be forced close Khorramshahr offices but this would not bankrupt them as it would Iranian agencies.

More important, if Iran Government attempts defy international underwriters and carries port directive to logical conclusion result could be closed ports Khorramshahr and Abadan and shut down Abadan refinery.

Next American ship movement in Shatt: SS OCEAN DEBORAH now Khorramshahr due sail for Gulf 31. SS GREEN HARBOR due November 2. SS STEEL ARTISAN to Bandarshahpour, Basra with ETA Khorramshahr November 10.

Since must anticipate requests our advice from ship masters and agents will appreciate instructions.

BOWIE

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